REMARKS

I. Introduction

Claims 1 and 38-42 remain in this application. Claims 2-3 have been previously canceled and claims 4-37 have been previously withdrawn from consideration.

The Examiner rejected claims 1 and 38-42 under 35 U.S.C. § 103(a) as being unpatentable over May U.S. Patent 6,317,727 (hereinafter "May"). This rejection is respectfully traversed.

II. Applicants' Reply to the Claims Rejection Under 35 U.S.C. § 103(a)

With respect to the outstanding rejection under 35 U.S.C. § 103 of claims 1 and 38-42, applicants make the following remarks.

One embodiment of applicants' invention is directed toward a method for qualifying a participant in an electronic trading system. More specifically, such a method allows an electronic trading system host or other parties to confine the ability of a participant to participate in trading with such parties.

According to this method, as specified in independent claim 1, a host qualification test and a third

party qualification test are applied to the participant. For example, the host qualification test may be any suitable method for determining whether a party is qualified to participate by the host of the trading system. Similarly, the third party qualification test may be any suitable method for determining whether a party is qualified to participate by an existing participant in the trading system. See applicants' specification, page 14, lines 1-8.

Qualification trading parameters are then assigned to the participant based upon both tests and a determination is made as to whether or not the participant qualifies to trade in the electronic trading system.

May relates to credit risk monitoring in financial transactions among traders. More specifically, May discloses screening potential counterparties before conducting trades in an electronic trading system based on predetermined credit preferences of the parties that chose to enter into a financial transaction with each other. A complex check is performed to determine if two particular counterparties will accept each other for a particular trade based upon their respective predefined credit preferences. May Abstract.

Applicants' claim 1 specifies applying two distinct and separate tests: a host qualification test, which is determined by the host of the trading system, and a third party qualification test, which is determined by a third party, -- e.g., an existing participant.

The Examiner contends that May discloses applying a host qualification test and acknowledges that May does not disclose applying a third party qualification test. However, the Examiner also states that May discloses assigning qualification trading parameters based upon the third party qualification test. Nowhere in May is there support for the latter. To the contrary, the Examiner's own statement that May "does not disclose applying a third-party qualification test" supports applicants' assertion that May does not show or suggest "assigning qualification trading parameters... based upon ... the third-party qualification test", as specified in claim 1. Indeed, it would be incongruous for May to show or suggest assigning trading qualifications to the participant based on a third party qualification test, when May does not disclose applying such a test in the first place.

Not only does May fail to show or suggest this limitation, but the Examiner does not rely on any other art or argument to show otherwise, including the Examiner's statements relating to real estate transactions, which are referred to below. Accordingly, nowhere does the art advanced by the Examiner show or suggest "assigning qualification trading parameters to the participant based upon the host qualification test and the third-party qualification test", as specified in claim 1. To establish a case of obviousness, "the prior art reference (or references when combined) must teach or suggest all the claim limitations." M.P.E.P. § 706.02(j). Because the art advanced by the Examiner fails to show or suggest all of the features of claim 1, claim 1 is not obvious in view of such art.

The Examiner goes on to state that even though May does not disclose applying a third party qualification test to the participant, "third-party qualification test is commonly done in real estate deals where the buyer is qualified by the underwriter (third party) for mortgage and the seller is qualified by the title search company (third party) for proper owner of the property and any out standing

issues against the property." The Examiner contends that it would be obvious to one of ordinary skill in the art to modify the disclosure of May to include third party qualification based on what is "commonly done" in real-estate transactions.

Even if it is assumed that all the limitations of claim 1 are shown or suggested by the art advanced by the Examiner, although applicants strongly submit they are not, applicants respectfully disagree. Contrary to the Examiner's contentions, applicants submit that there is no suggestion or motivation in May to apply real-estate practice procedures, such as mortgage underwriting and title searching, to the teachings of May. Moreover, there is no suggestion that mortgage underwriting or title searching is in any way adaptable to electronic trading systems that enable credit risk monitoring, as taught in May.

Accordingly, there is no suggestion or motivation to modify the teachings of May to include real-estate transaction practice, or to combine the teachings of May with those of real-estate transaction practice. To establish a case of obviousness, "there must be some suggestion or motivation, either in the references themselves or in the

knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings." M.P.E.P. § 706.02(j). Because there is no suggestion or motivation to modify the art advanced by the Examiner, or to combine its teachings, claim 1 is not obvious in view of such art.

For the reasons set forth above, claim 1, along with claims 38-42 which depend therefrom, are allowable. Applicants therefore request that the rejections of claims 1 and 38-42 be withdrawn.

III. Request for Acknowledgment of Supplemental Information Disclosure Statement

On March 22, 2004, applicants filed a Supplemental Information Disclosure Statement and a copy of the reference cited therein, along with a Reply to Office Action, in connection with the above-identified patent application. Applicants submitted therewith Form PTO-1449 (in duplicate) listing the aforementioned reference. However, the reference listed on the copy of Form PTO-1449 returned with the June 18, 2004 Office Action has not been initialed by the Examiner. Applicants respectfully request that an initialed

copy of said Form PTO-1449, as considered by the Examiner, be returned with the next communication.

IV. Conclusion

The foregoing demonstrates that this application is in condition for allowance. Reconsideration and allowance are accordingly respectfully requested.

Respectfully submitted,

Hassan Albakri
(Limited Recognition)
Agent for Applicants
FISH & NEAVE LLP
Customer No. 1473
1251 Avenue of the Americas
New York, New York 10020-1105
Tel.: (212) 596-9000
Fax: (212) 596-9090

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